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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

MESA AIR GROUP, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 10-10018 (MG)

(Jointly Administered)

**DEBTORS' SEVENTH NOTICE OF INTENT TO REJECT LEASES RELATING
TO CERTAIN AIRCRAFT PURSUANT TO DEBTORS' PROCEDURES
SET FORTH IN AMENDED ORDER ENTERED ON FEBRUARY 23, 2010**

(RE: AIRCRAFT COUNTERPARTIES LISTED ON EXHIBIT 1)

PLEASE TAKE NOTICE that the debtors and debtors in possession (collectively, the “Debtors”) hereby give notice to the owner participants, owner trustees, loan participants, and indenture trustees set forth on Exhibit 1 annexed hereto (the “Aircraft Parties”) of the Debtors’ intent to reject the four (4) aircraft leases (the “Leases”) in their entirety related to four (4) CRJ-200 aircraft, with the airframes having the U.S. Registration Numbers as identified in Exhibit 1 (the “Excess Leased Equipment.”)

¹ The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group Airline Inventory Management, LLC (2015); Nilchi, Inc. (5531); and Patar, Inc. (1653).

PLEASE TAKE FURTHER NOTICE that, on February 23, 2010, the Bankruptcy Court entered its *Order (I) Authorizing Debtors to (A) Reject Leases Relating to Certain Aircraft and Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approving Related Notices and Procedures* (the “Order”),² a copy of which is available upon request from the Debtors’ counsel and which is also available for review on www.epiq11.com (follow “All Active Cases” and “Mesa Air Group, Inc.” links). All capitalized terms whose meanings are not defined or otherwise ascribed herein shall have the meaning ascribed to them in the Order. This Notice is being provided to you in accordance with the Order as a Subsequent Rejection Notice.

PLEASE TAKE FURTHER NOTICE that unless an affected Aircraft Party timely objects to this Subsequent Rejection Notice and the proposed Lease rejections, as the case may be, and related surrender and return of the Excess Leased Equipment, the rejection of the Leases, as the case may be, will be effective on the applicable dates set forth on Exhibit 1 (the “Deemed Effective Date”), without need of any further Court order or additional notice, subject to the rights to object as set forth in the Order, and as of the Deemed Effective Date, the applicable Aircraft Party may take possession of the Excess Leased Equipment as of the date(s) and at the location(s) set forth on Exhibit 1.

PLEASE TAKE FURTHER NOTICE that in accordance with the terms of the stipulations entered into with controlling aircraft counterparties (the “Controlling Aircraft Counterparties”)³ with respect to the aircraft leases being rejected (collectively, the “Section

² On February 24, 2010, the Debtors filed with the Court an amended exhibit A-2 to the Order [Docket No. 360].

³ A list of the Section 1110(b) Stipulations and the Controlling Counterparties is annexed hereto as Exhibit 2.

1110(b) Stipulations”), the Controlling Aircraft Counterparties have agreed not to exercise any remedies or assert any claims arising solely from any alleged default on the basis that any Excess Leased Equipment returned does not have the original engines installed ‘on wing’ provided that the Debtors comply with the requirements of the applicable Section 1110(b) Stipulation. The Excess Leased Equipment will be returned to the location set forth on Exhibit 1 pursuant to the applicable Section 1110(b) Stipulation.

PLEASE TAKE FURTHER NOTICE that if any affected Aircraft Party wishes to object to the rejection of the applicable Lease, such affected party must file and serve such objection in accordance with the following procedures:

(a) The Debtors’ rejection of the applicable Lease pursuant to this Notice will be effective as of the Deemed Effective Date, without the need of any further order or notice, if no objection thereto is filed with the Court and served so as to be received by 4:00 p.m. (prevailing Eastern Time) on the 7th business day after the filing and service of this Notice, on (i) the United States Bankruptcy Court of the Southern District of New York, One Bowling Green, New York, New York 10004, (ii) the Office of the United States Trustee for the Southern District of New York (the “OUST”), 33 Whitehall Street, 21st Floor, New York, New York 10004, (iii) Pachulski Stang Ziehl & Jones LLP, 150 California Street, 15th Floor, San Francisco, California 94111 (Attn: Debra I. Grassgreen and Joshua M. Fried), and Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 36th Floor, New York, New York 10017 (Attn: Maria A. Bove), attorneys for the Debtors, (iv) Mesa Air Group, Inc., Law Department 410 N. 44th St. Suite 700, Phoenix, Arizona 85008, (Attn: Brian S. Gillman, Esq.), and (v) counsel to the Committee, Morrison & Foerster, 1290 Avenue of the Americas, New York, New York 10104 (Attn: Brett H. Miller) (“Committee Counsel”) (collectively, the “Notice Parties”).

(b) If a timely objection is filed and served, the effective date of rejection will be (i) the originally proposed Deemed Effective Date if the objection is overruled or withdrawn or (ii) such other date as determined by the Bankruptcy Court after a hearing on the objection. Further, the Court may adjust the Deemed Effective Date in accordance with the procedures set forth in paragraph 2 of the Order on account of the Enumerated Matters (as such term is defined in the Order) or any other breach of the Order.

(c) A hearing on any objection to this Notice will be held on the next scheduled omnibus hearing date in the Debtors’ cases, provided that the objecting

party is provided by the Debtors at least five (5) business days' prior written notice of such hearing date and time, and provided further that the foregoing is without prejudice to the Debtors and/or objecting party to move for an expedited hearing (on less than five (5) business days' notice).

(d) The Debtors must file and serve on the objecting party, the OUST and the Committee Counsel any reply to any objection at least two (2) business days prior to the scheduled hearing.

PLEASE TAKE FURTHER NOTICE that paragraphs 2 and 9 of the Order set forth important deadlines regarding the assertion of claims and rights.

Dated: April 23, 2010
New York, New York

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Debra Grassgreen

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EXHIBIT 1

Listed Excess Leased Equipment to Be Rejected on Deemed Effective Date

INDEX

Counterparties and other parties in interest should locate their names in the index below and refer to the listed page(s) of the attached exhibit. Parties in interest should review the exhibit in its entirety out of an abundance of caution.

<u>Applicable Counterparty and Other Parties in Interest:</u>	<u>Page of attached Exhibit 1:</u>
AT&T Capital Services	3
Bank of Hawaii Leasing, Inc. (formerly Pacific Century Leasing, Inc.).....	2
Bombardier Capital Inc.	3
Export Development Corporation.....	2, 3
Fleet National Bank	2, 4
General Electric Capital Corporation c/o Capital Aviation Services, Inc.....	1
HSH Nordbank AG	1
Investissement Québec.....	2
Landesbank Baden-Wurttemberg.....	1
Transamerica Aviation LLC (formerly Transamerica Aviation 429/448 Corp)	2
U.S. Bank Corporate Trust Services	1, 3
Wells Fargo Bank Northwest, NA (formerly First Security Bank).....	1, 3

Item No.	Lessors/Secured Parties and Other Related Party Address	Lessee/Debtor	Airframe Mfr. & Model	Airframe Mfr. Serial No.	U.S. Reg. No.	Deemed Effective Date and Proposed Return Location
<u>1</u>	<p><u>Owner Participant:</u> General Electric Capital Corporation c/o Capital Aviation Services, Inc. Attn: Leader-Contracts 201 High Ridge Road Stamford, CT 06927 Tel: 203-357-4482 Fax: 203-357-3201</p> <p><u>Owner Trustee / Lessor:</u> Wells Fargo Bank Northwest, NA (formerly First Security Bank) Attn: Corporate Trust Department 79 South Main Street Salt Lake City, UT 84111 Tel: 801-246-5819 Fax: 801-246-5053</p> <p><u>Loan Participants:</u> HSH Nordbank AG Attn: Markus Kunert Martensdamm 6 24103 Kiel, Germany Tel: +49-431-9001-4063 Fax: +49-431-9006-14063 Email: markus.kunert@hsh-nordbank.com</p> <p><i>and</i></p> <p>Landesbank Baden-Wuerttemberg ATTN: Lars Munstermann Am Hauptbahnhof 2 70173 Stuttgart, GERMANY Tel: +49-711-127-48765 Fax: +49-711-127-664-8765 Email: lars.munstermann@lbbw.de</p> <p><u>Indenture Trustee:</u> U.S. Bank Corporate Trust Services Attn: David Ganss One Federal Street, 3rd Floor Boston, MA 02110 Tel: 617-603-6580 Fax: 617-603-6669</p>	Mesa Airlines, Inc.	CL-600-2B19 (CRJ-200)	7342	N37342	<p>Deemed Effective Date:</p> <p><u>May 6, 2010</u></p> <p>The records, airframe, and engines listed below are immediately available for inspection at Mesa's Tucson, Arizona maintenance facility in accordance with the Section 1110(b) Stipulation with the following engines:</p> <p>SN: 872583 SN: 872623</p>

Item No.	Lessors/Secured Parties and Other Related Party Address	Lessee/Debtor	Airframe Mfr. & Model	Airframe Mfr. Serial No.	U.S. Reg. No.	Deemed Effective Date and Proposed Return Location
	<u>Guarantor:</u> Investissement Québec Direction associée aux affaires juridiques à Montréal Attention: Keith Hanna & Catharine Guillot 393, rue Saint-Jacques, bureau 500 Montréal (Québec) H2Y 1N9 CANADA Tél. : 514 873-0709 Fax: 514 -873-9917 E-Mails: Keith.Hanna@invest-quebec.com & Catherine.Guillot@invest-quebec.com					
<u>2</u>	<u>Owner Participant:</u> Bank of Hawaii Leasing, Inc. (formerly Pacific Century Leasing, Inc.) Attn: Leasing Manager 130 Merchant Street, 19th Floor Honolulu, HI 96813 Tel: 808-537-8198 Fax: 808-526-0964 <u>Loan Participant:</u> Export Development Corporation Attn: Loans Administration 151 O'Connor Street Ottawa, Ontario Canada K1A 1K3 Fax: 613-598-2514 <u>Indenture Trustee:</u> Fleet National Bank Attn: Corporate Trust Administration 111 Westminster Street RIMO 199 Providence, RI 02903 Tel: 401-278-3766 Fax: 401-278-3763	Mesa Airlines, Inc.	CL-600-2B19 (CRJ-200)	7156	N17156	Deemed Effective Date: <u>May 7, 2010</u> The records, airframe, and engines listed below are immediately available for inspection at Mesa's Tucson, Arizona maintenance facility in accordance with the Section 1110(b) Stipulation with the following engines: SN: 872149 SN: 872099
<u>3</u>	<u>Owner Participant:</u> Transamerica Aviation LLC (formerly Transamerica Aviation 429/448 Corp) Attn: SVP 2700 West Plano Parkway	Mesa Airlines, Inc.	CL-600-2B19 (CRJ-200)	7337	N17337	Deemed Effective Date: <u>May 10, 2010</u> The records, airframe, and engines listed below are

Item No.	Lessors/Secured Parties and Other Related Party Address	Lessee/Debtor	Airframe Mfr. & Model	Airframe Mfr. Serial No.	U.S. Reg. No.	Deemed Effective Date and Proposed Return Location
	Plano, TX 75075 Fax: 972 881 6620 <u>Owner Trustee / Lessor:</u> Wells Fargo Bank Northwest, NA (formerly First Security Bank) Attn: Corporate Trust Department 79 South Main Street Salt Lake City, UT 84111 Tel: 801-246-5819 Fax: 801-246-5053 <u>Loan Participant:</u> Bombardier Capital Inc. Attn: VP and GM, Bombardier Capital Aviation Services PO Box 991 261 Mountain View Drive Colchester, VT 05446 Tel: 802-654-8111 Fax: 802-654-8445 <u>Indenture Trustee:</u> U.S. Bank Corporate Trust Services Attn: David Ganss One Federal Street, 3rd Floor Boston, MA 02110 Tel: 617-603-6580 Fax: 617-603-6669					immediately available for inspection at Mesa's Tucson, Arizona maintenance facility in accordance with the Section 1110(b) Stipulation with the following engines: SN: 872560 SN: 872750
4	<u>Owner Participant:</u> AT&T Capital Services 2000 West SBC Center Drive Hoffman Estates, IL, 60196 <u>Owner Trustee / Lessor:</u> Wells Fargo Bank Northwest, NA (formerly First Security Bank) Attn: Corporate Trust Department 79 South Main Street Salt Lake City, UT 84111 Tel: 801-246-5819 Fax: 801-246-5053 <u>Loan Participant:</u> Export Development Corporation	Mesa Airlines, Inc.	CL-600-2B19 (CRJ-200)	7172	N27172	Deemed Effective Date: May 10, 2010 The records, airframe, and engines listed below are immediately available for inspection at Mesa's Tucson, Arizona maintenance facility in accordance with the Section 1110(b) Stipulation with the following engines: SN: 872135 SN: 872136

Item No.	Lessors/Secured Parties and Other Related Party Address	Lessee/Debtor	Airframe Mfr. & Model	Airframe Mfr. Serial No.	U.S. Reg. No.	Deemed Effective Date and Proposed Return Location
	<p>Attn: Loans Administration 151 O'Connor Street Ottawa, Ontario Canada K1A 1K3 Fax: 613-598-2514</p> <p><u>Indenture Trustee:</u> Fleet National Bank Attn: Corporate Trust Administration 111 Westminster Street RIMO 199 Providence, RI 02903 Tel: 401-278-3766 Fax: 401-278-3763</p>					

EXHIBIT 2

(Section 1110(b) Stipulations)

- Stipulation and Agreement Pursuant to Section 1110(b) of the Bankruptcy Code Between Debtors and HSH Nordbank AG and Landesbank Baden-Wuerttemberg Regarding the Extension of the Automatic Stay With Respect to Certain CRJ-200 Aircraft of the Debtors
(Items # 1 on Exhibit 1)
- Stipulation and Agreement Pursuant to Section 1110(b) of the Bankruptcy Code Between Debtors and Export Development Canada Regarding the Extension of the Automatic Stay With Respect to Certain CRJ-200 Aircraft of the Debtors
(Items ## 2 and 4 on Exhibit 1)
- Stipulation and Agreement Pursuant to Section 1110(b) of the Bankruptcy Code Among Debtors and Bombardier Capital Inc. and Bombardier Services Corporation
(Items # 3 on Exhibit 1)